



ACN 072 692 365

High grade underground results

1 September 2008

ASX Code : HEG, HEGO, HEOB

- Excellent underground results continue at the Reward Gold Mine at Hill End.
- Underground drilling outside current resources hits 8.1g/t over 8.3 metres in M2/Star of Peace, 545g/t over 0.3 metre in M2 and 62g/t over 0.3 metre in Amalgamated.
- First 30 metres of sampling in the high grade M2 initial stope is 95.8g/t over a 0.8 metre width with the M2 vein itself up to 1623g/t over the 0.2 metre vein width.
- Paxton's 671 north and south drives commence.

M2 high grade zone

Excellent results have been received from the initial stope sampling of the Cornelian M2 vein. The 30 metre long run from 1375N to the north averaged 95.8 g/t gold over a 0.8m stoping width including a 15 metre zone at 177.3 g/t gold. The highest grade returned was 1622.8g/t gold over a 0.2 metre vein width. The detailed list of results attached indicates the continuity of the very high grade zones in the Hill End mineralisation, rather than isolated spotty highs which can occur in other deposits.

The Cornelian M2 is currently being stripped to a depth of three metres into the floor and two rises are being developed to provide grade information and slots for stoping this material above the level.

Further stope sampling results are awaited for the northern part of the initial M2 stope.

Recent Underground Drilling Highlights

- M2 vein - 0.25 metre at 544.9 g/t gold located 35 metres south of the current resource blocks and 15 metres below the Amalgamated level in HHUG13;
- M2 / Star of Peace veins – total 8.5 metres width at 8.1 g/t gold located 85 metres south of the current resource blocks and 15 metres above the Amalgamated level in HHUG09;
- Amalgamated vein - 0.25 metre at 61.9 g/t gold and 0.18 metre at 40.8 g/t gold. The current resource estimate does not include the Amalgamated vein. These intersections are 182 metres apart in HHUG11 and HHUG06.

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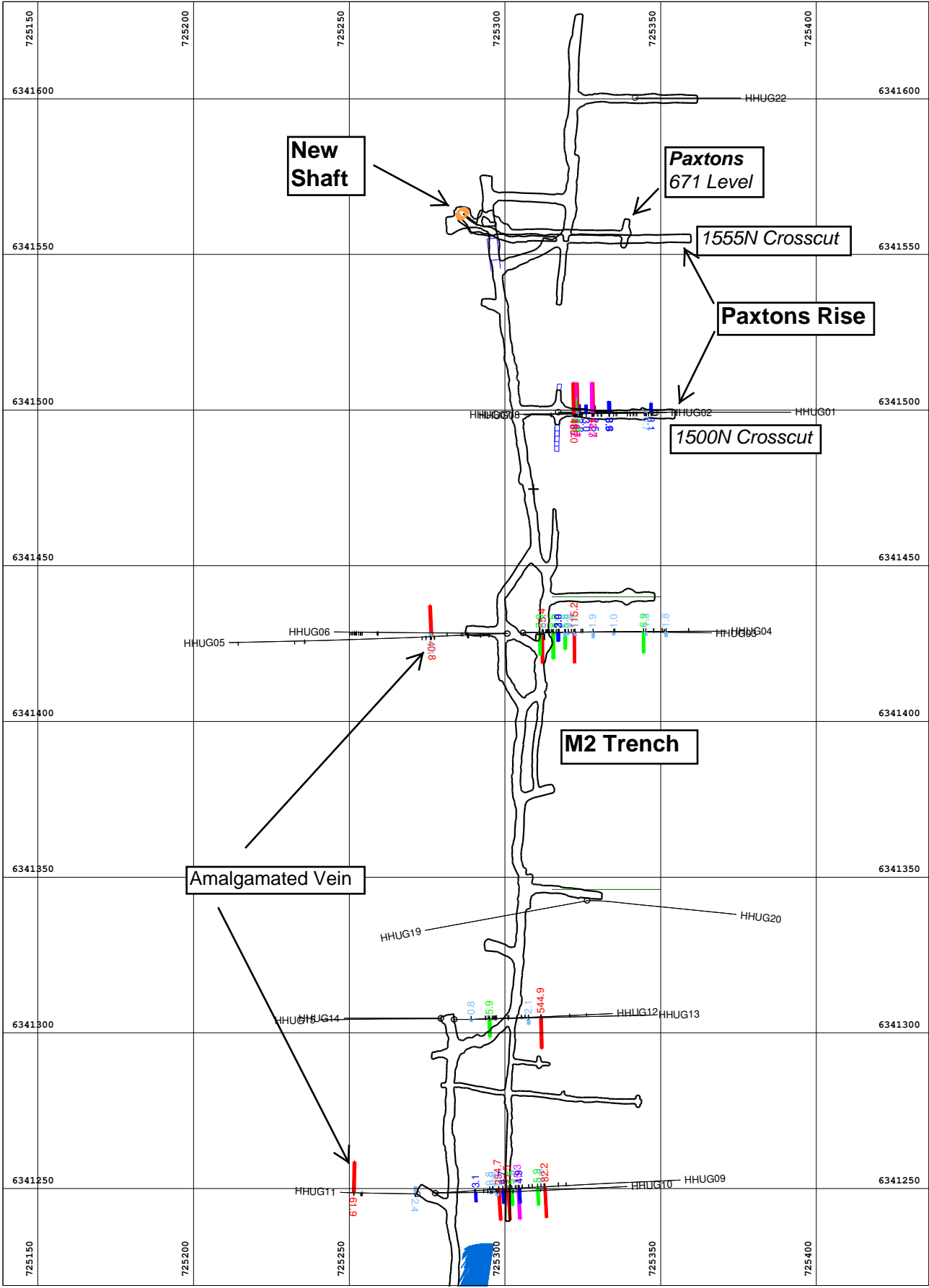
Cornelian M2 initial sampling results

sample	Northing	Vein width cm	g/t gold	0.8m stope width g/t gold
UG528	6341405	6	34.4	2.6
UG529	6341404	5	38.4	2.4
UG530	6341403	7	27.8	2.4
UG531	6341402	6	18.9	1.4
UG532	6341401	6	19.6	1.5
UG533	6341400	7	92.2	8.1
UG534	6341399	5	268.5	16.8
UG535	6341398	8	75.8	7.6
UG536	6341397	10	37.0	4.6
UG537	6341396	10	49.5	6.2
UG538	6341395	9	17.5	2.0
UG539	6341394	11	18.8	2.6
UG540	6341393	12	401.8	60.3
UG542	6341391	11	820.4	112.8
UG543	6341390	16	1001.9	200.4
UG544	6341389	14	633.4	110.8
UG545	6341388	13	1282.4	208.4
UG546	6341387	18	1547.8	348.3
UG547	6341386	16	525.6	105.1
UG548	6341385	19	1622.8	385.4
UG549	6341384	17	1452.4	308.6
UG550	6341383	18	1124.7	253.1
UG551	6341382	18	593.6	133.6
UG552	6341381	19	324.5	77.1
UG553	6341380	21	274.1	72.0
UG554	6341379	24	388.4	116.5
UG555	6341378	26	513.5	166.9
UG556	6341377	28	37.7	13.2
UG557	6341376	29	129.0	46.7

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological contractor for the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. Both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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**Amalgamated Level (640L)
Development and Recent Drilling
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